

VIRGINIA DEPARTMENT OF PLANNING AND BUDGET

**NONSTATE AGENCY BUDGET REQUEST
FOR STATE FISCAL YEAR 2003-04**

Enclosed is a package for your use in preparing a nonstate agency budget request for state fiscal year 2003-04. It consists of §§2.2-1505 and 2.2-4343 A.14 of the Code of Virginia and a copy of pertinent portions of the 2002 Appropriation Act, relating to the statutory definition of and funding requirements for nonstate agencies (Attachments A and B). It also includes a set of instructions for preparing and transmitting budget requests (Attachment C).

Please return your completed request by Friday, October 11, 2002. If your request is received after the deadline, there is no assurance it can be considered by the Governor prior to final decisions on the budget.

If the 2003 General Assembly authorizes an appropriation to your agency, you must apply to the Department of Historic Resources to receive the appropriation. The Department of Historic Resources will distribute instructions and guidance in June 2003 for appropriations that become available July 1, 2003.

You may direct questions to: James B. Cook, Jr., at (804) 786-0212 or
e-mail: jcook@dpb.state.va.us

Attachment A: 2002 Appropriation Act (Chapter 899), Item 532 and §4-5.07

Attachment B: §§2.2-1505 and 2.2-4343 A.14 of the Code of Virginia

Attachment C: Budget Request For Nonstate Agencies

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ATTACHMENT A

2002 APPROPRIATION ACT (CHAPTER 899)

Definition of Nonstate Agency

“Nonstate agency” means an organization or entity as defined in §2.2-1505 C, Code of Virginia. (Enactment No. 1, §6, Paragraph E, 2002 Appropriation Act [Chapter 899])

Item 532

- A. Grants provided for in this item shall be administered by the Department of Historic Resources.
- B. Prior to the distribution of any funds, the organization or entity shall make application to the Department in a format prescribed by the Department. This application shall designate whether grant funds provided under this item will be used for purposes of operating support or capital outlay. Unless otherwise specified in this item, the matching amounts for grants funded from this Item may be in cash or in-kind contributions as requested by the nonstate organization in its application for state grant funds. The Department shall use applicable federal guidelines in assessing the value of in-kind contributions to be used as matching amounts.

§4-5.07
Nonstate Agencies, Interstate Compacts and Organizational Memberships

§4-5.07 NONSTATE AGENCIES, INTERSTATE COMPACTS AND ORGANIZATIONAL MEMBERSHIPS

a. The accounts of any agency, however titled, which receives funds from this or any other appropriating act, and is not owned or controlled by the Commonwealth of Virginia, shall be subject to audit or shall present an audit acceptable to the Auditor of Public Accounts when so directed by the Governor or the Joint Legislative Audit and Review Commission.

b.1. For purposes of this subsection, the definition of "nonstate agency" is that contained in [§2.2-1505](#), Code of Virginia.

2. Allotment of appropriations to nonstate agencies shall be subject to the following criteria:

a) Such agency is located in and operates in Virginia.

b) The agency must be open to the public or otherwise engaged in activity of public interest, with expenditures having actually been incurred for its operation.

3. No allotment of appropriations shall be made to a nonstate agency until such agency has certified to the Secretary of Finance that cash or in-kind contributions are on hand and available to match equally all or any part of an appropriation which may be provided by the General Assembly, unless the organization is specifically exempted from this requirement by language in this act. Such matching funds shall not have been previously used to meet the match requirement in any prior appropriation act.

4. Unless specifically exempted by language in this act, operating appropriations in excess of \$100,000 shall be disbursed to nonstate agencies in twelve or fewer equal monthly installments depending on when the first payment is made within the fiscal year.

5. The provisions of [§2.2-4343](#) A 14, Code of Virginia shall apply to any expenditure of state appropriations by a nonstate agency.

c.1. Each interstate compact commission and each organization in which the Commonwealth of Virginia or a state agency thereof holds membership, and the dues for which are provided in this act or any other appropriating act, shall submit its biennial budget request to the state agency under which such commission or organization is listed in this act. The state agency shall include the request of such commission or organization within its own request, but identified separately. Requests by the commission or organization for disbursements from appropriations shall be submitted to the designated state agency.

2. Each state agency shall submit by November 1 each year, a report to the Director, Department of Planning and Budget, listing the name and purpose for organizational memberships held by that agency with annual dues of \$5,000 or more.

ATTACHMENT B

§2.2-1505 OF THE CODE OF VIRGINIA

§ 2.2-1505. Estimates by nonstate agencies of amounts needed.

A. Except as provided in §§ [10.1-2211](#), [10.1-2212](#), and [10.1-2213](#), no state funds shall be appropriated or expended for, or to, nonstate agencies unless:

1. A request for state aid is filed by the organization with the Department of Planning and Budget, as required by § [2.2-1504](#).

2. The nonstate agency certifies to the satisfaction of the Department that matching funds are available in cash from local or private sources in an amount at least equal to the amount of the request. These matching funds shall be concurrent with the purpose for which state funds are requested. Contributions received and spent prior to the state grant shall not be considered in satisfying the requirements of this subdivision.

3. The nonstate agency provides documentation of its tax exempt status under § 501 (c) (3) of the United States Internal Revenue Code.

B. Except as provided in §§ [23-38.11](#) through [23-38.18](#), no state funds shall be appropriated to, or expended for, a private institution of higher education or religious organization.

C. For the purposes of this section, a "nonstate agency" means any public or private foundation, authority, institute, museum, corporation or similar organization that is not a unit of state government or a political subdivision of the Commonwealth as established by general law or special act. It shall not include any such entity that receives state funds as a subgrantee of a state agency or through a state grant-in-aid program authorized by law.

(1989, c. 711, § 2.1-394.1; 1998, c. 467; 2001, c. 844.)

The Virginia Public Procurement Act may apply to a state grant in excess of \$10,000 if the grant is to be used for the purposes described below.

§2.2-4343 A 14 OF THE CODE OF VIRGINIA

A. The provisions of this chapter shall not apply to:

14. Procurement of any construction or planning and design services for construction by a Virginia nonprofit corporation or organization not otherwise specifically exempted when (i) the planning, design or construction is funded by state appropriations of \$10,000 or less or (ii) the Virginia nonprofit corporation or organization is obligated to conform to procurement procedures that are established by federal statutes or regulations, whether those federal procedures are in conformance with the provisions of this chapter.

ATTACHMENT C
NONSTATE AGENCY BUDGET REQUEST

STATE SUPPORT OF NONSTATE AGENCIES

The primary purpose of state support of nonstate agencies is to assist them with capital expenditures or improvements and organizational or operating assistance of a limited duration to help them during periods of growth or change and other expensive items of a one-time nature. State support is not available and should not be sought for operating support on a continual or long-term basis.

TRANSMITTAL GUIDANCE

Five (5) copies of the Budget Request For Nonstate Agency, as described below, must be received in the Department of Planning and Budget no later than 5:00 P.M., Friday, October 11, 2002. Each copy should be stapled at top left, with Form NSA-1 at the top of each copy. The package should be addressed as follows for U. S. Mail, UPS and Hand Delivery:

Nonstate Agency Clerk
Department of Planning and Budget
200 North Ninth Street, Room 418
Richmond, Virginia 23219

GENERAL GUIDANCE

Location - Your agency must be located in and operated in Virginia.

Purpose - The requested state support must be for a purpose clearly identifiable as cultural or artistic in nature. It must be for capital or operating assistance of a limited duration.

Ineligible Organizations - The Constitution of Virginia prohibits state appropriations to a religious organization or a private institution of higher education.

Federal Income Tax Exemption - Your agency must be a nonprofit organization exempt from federal income tax under Section 501 (c) (3) of the Internal Revenue Code. Documentation should be submitted in the form of a letter to your agency from the Internal Revenue Service to that effect.

Matching Funds - Your agency must present an equal match for the state grant, whether the grant is for operating or capital purposes, unless the agency is a political subdivision. The match must be in cash or in-kind.

Virginia Public Procurement Act - If your agency plans to use more than \$10,000 for capital expenses, the Virginia Public Procurement Act may apply.

Pass-Through - The request should be for your agency directly. A passthrough from your agency to another organization not owned or controlled by your agency will not be approved.

Historic Preservation Projects - Requests for state support for historic preservation projects or rehabilitation of historic structures should be submitted to the Department of Historic Resources, not the Department of Planning and Budget. Your contact for such requests is:

Ann M. Andrus, State Grants Coordinator
Department of Historic Resources
19B Bollingbrook Street
Petersburg, Virginia 23803
(804) 863-1622

Fiscal Year - The state fiscal year runs from July 1 through June 30. State Fiscal Year 2004 covers the period July 1, 2003 through June 30, 2004.

FORMAT

Your Nonstate Agency Budget Request should follow the outline below. Use 8 1/2 x 11 paper only. Number all pages (except the Cover Sheet) sequentially. Guidance regarding information to be reported under each section is provided on the following page.

I. COVER SHEET

II. AGENCY PROFILE

A. Official Name and Location

B. Agency Overview

1. History
2. Organization Summary
3. Major Activities
4. Mission
5. Evaluation

C. Justification

D. Prior State Appropriations

E. Organization Chart

III. MATCHING FUNDS

IV. Nonstate Agency Questionnaire, Form NSA-1

I. COVER SHEET

Prepare a cover sheet for the Budget Request labeled:

NONSTATE AGENCY BUDGET REQUEST
FISCAL YEAR 2003-04
(INSERT YOUR AGENCY NAME HERE)

II. AGENCY PROFILE

Prepare a profile statement for the agency following the outline below. This profile information will be used in the development of the Budget Document, if your agency's request is recommended by the Governor.

A. Official Name and Location

Give the official name of the agency. This means the name under which it is incorporated or otherwise authorized to do business in Virginia. Give the address of the principal office or location and the address of any other offices or locations.

B. Agency Overview

The Agency Overview is a five-part statement providing a concise description of the agency. Follow the instructions below:

1. History: Write a short paragraph summarizing the history of the agency, including when and why it was created and by whom.
2. Organization Summary: Briefly describe how the agency is organized, including a summary of the major functions of organization subunits (bureaus, divisions, field offices, etc.). The organization summary should help explain the information contained in the agency's organization chart, not repeat it.
3. Major Activities: Briefly summarize the agency's major activities and services. Include data concerning the number of the agency's clients, its area of service and other information providing a quantifiable perspective on the agency's activities. Include the following information:
 - a) The days and hours the agency is open to the public
 - b) The amount of any admission fee
 - c) The number of clients, customers or constituents of the agency for your most recent fiscal year. If you use another time period for a customer count, please indicate that time period.
4. Mission. Discuss your agency's current purposes, the public need it exists to fulfill and the role it serves. Include a copy of any mission statement.

5. Evaluation. Describe how the success of your agency in achieving its mission is measured.

C. Justification

In this portion of the request narrative, the agency provides the justification for the request. The reviewers of the request will look for answers to questions such as the following:

What amount is the agency requesting for each year of the biennium? The request amount should also be shown in the Matching Funds table which is part of these instructions.

What will the money be spent for? Describe the program or activity which will be financed by the state appropriation. In particular, if the request is for capital purposes (acquisition of land or buildings, construction, renovation or improvement of buildings), describe the proposed facility or improvements to the existing facility. What is the timeline for the procurement?

Why is the agency requesting a state appropriation? For example, what is the condition, opportunity or problem intended to be addressed by the state appropriation? What public purpose will be served by a state appropriation to the agency?

What other sources of support, and in what amount, does the agency have for the purpose intended to be addressed by the state appropriation? What percentage is the requested state grant of the total amount of support you anticipate from all sources for each year of the biennium?

What will be the result if the state appropriation is not provided?

D. Prior State Appropriations

Include, by year and amount, a table of all state appropriations your agency has received since 1996.

E. Organization Chart

Include the most current organization chart, identifying only those organizational units planned to be in effect as of July 1, 2003. Do not show positions or names of individuals.

III. MATCHING FUNDS

Refer to Item 532 and §4-5.07 (Attachment A) and § 2.2-1505 A.2 (Attachment B). The matching fund requirements are summarized as follows:

- A. Match must be in cash, cash equivalent (securities which can be converted to cash within 30 days), or in-kind.
- B. Match must be from local or private sources. "Local" means funds from local governments, other local entities and federal funds. It excludes state funds.
- C. Match must be available on July 1 of each year of the biennium. If not available until after July 1, the state grant will be released when the match funds are available. Note the following requirements of §2.2-1505 of the Code of Virginia:
 - 1. Funds received and spent prior to the effective date of the state grant are not eligible to be counted as a match. Likewise, in-kind match must be available within the grant period.
 - 2. If available funds were used to meet the match requirement in any previous appropriation act, they may not be used to satisfy the fiscal year 2003-04 match requirement even if they are still available.
 - 3. Match funds must be concurrent with the purpose for which state funds are requested. This means that the proposed expenditure of the match funds must be the same as that for the state funds.
- D. Provide, in the format illustrated on the next page, a description of the proposed matching funds, set up as a page in the Budget Request.

“Operating expenses” means payment of salaries, purchase of supplies, heat, light, power and other expenses of normal maintenance and operation. It includes equipment for normal operation, such as typewriters, computers, calculators and computer software.

“Capital expenses” means expenditures for acquisition and purchase of land and structures, construction of buildings, renovation of buildings, major repairs, and other capital purposes. It includes equipment associated with construction and renovation of buildings.

MATCHING FUNDS

AGENCY: _____

REQUESTED STATE APPROPRIATION

2003-04

Operating expense	\$
Capital expense	\$
Total Request	\$

MATCHING FUNDS

Amount of Proposed Match	\$
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SOURCE OF PROPOSED MATCH

Provide in this space a description of the source of the proposed match. The state appropriation will be available each year on July 1 or shortly thereafter. The matching funds should be on hand and available on the same date. Your description should indicate whether or not this is the case.